Region IX
California
Arizona
Nevada
Utah

U. S. DEPARTMENT OF AGRICULTURE
FARM SECURITY ADMINISTRATION
Division of Information
85 Second Street
San Francisco, California

STATUS OF ARIZONA REHABILITATION PROGRAM

AS OF FEBRUARY 27, 1940

The Farm Security Administration has just completed a national survey which shows that in Arizona the 1,143 standard rehabilitation borrowers had an average net income last year of $1,074.93 per family, as compared with $922.87 in the year before they came to FSA for help. This represents an increase of 16 per cent.

Moreover, these families increased their average net worth - over and above all debts - from $2,949.67 before they came into the FSA program to $3,766.30 at the end of the 1939 crop year, a gain of 28 per cent.

In other words, these families not only have added $933,408 to the wealth of their communities, but they also have increased their annual incomes by a total of $173,801. This expanding purchasing power has, of course, been a considerable benefit to the merchants and other business men of the state.

At the same time, the survey showed that Arizona borrowers already have repaid $449,999 into the Federal Treasury as installments on loans totalling $1,348,454. The typical rehabilitation family in Arizona has borrowed $1,179.75, and has repaid $393.70. Since much of the money loaned does not fall due for four or five years, there is every reason to expect that the great bulk of it will be repaid.

We feel that this collection record is particularly significant, because, according to normal business standards, F.S.A. borrowers would certainly not be considered good credit risks. Rehabilitation loans are made only to families which cannot get adequate credit anywhere else; and nearly all of them either had been on relief or were approaching the relief level.

Although the rehabilitation program is intended to meet long-range problems, which have been growing steadily worse for more than a generation, it is financed out of relief appropriations; and it takes the place of direct relief in rural areas. It is designed to help needy farm families to become permanently self-supporting, instead of remaining indefinitely dependent on relief.

It has succeeded largely because every loan is accompanied by advice and guidance in sound farming methods, to make sure that the money is put to the best possible use. There is ample evidence that this guidance and technical training is the most important part of the rehabilitation program. Without it, few of the families would have been able to make much progress or to repay their loans.

In a limited number of cases, in order to get the family off to a sound start, small grants have been made to supplement the loan. Usually these grants were just large enough to tide the family over until it could make its first crop. They have averaged $11.96 per family, or a total of $13,670 over a four-year period.

Often it has been necessary to work out an adjustment of the family's old debts, before rehabilitation could be successful. Local Farm Debt Adjustment Committees have been set up for this purpose. They have no legal authority to compel adjustments, but by bringing the farmer and his creditors together for a friendly discussion, they usually are able to arrange a scale-down of the obligations, reduced interest rates, or extension of the payment period. Such adjustments frequently save the farmer from foreclosure, and at the same time enable the creditors to get substantial payments on what might otherwise have been bad debts.

This service is available to all farmers, whether or not they are rehabilitation borrowers. Altogether, debt reductions totalling $132,109 have been negotiated for the farmers in Arizona. This represents a scale-down of 7.6 per cent.

As a direct result of these adjustments, $24,005 in back taxes has been paid to Arizona governmental agencies.

In helping rehabilitation borrowers to plan their farm operations, F.S.A. supervisors always urge them to get away from one-crop farming, and to raise as much as possible of their food and feed supplies. The progress they are making is indicated by the fact that the borrowers in Arizona produced $260,695 worth of goods for home consumption last year, as compared with only $224,302 worth before they came into the F.S.A. program.

These families canned 154,888 quarts of fruits and vegetables last year, or an average of 136 quarts per family. They also produced 620,649 gallons of milk for home consumption, an average of 543 gallons; and 41,742 tons of forage, an average of 36½. This kind of diversified farming has meant a higher standard of living, a better diet, and usually a marked improvement in health.

One of the most common reasons for past failure among the families which come to FSA for help was that they had not farmed enough acreage to make a living. In helping our borrowers to get a new start, we have made every effort to assist them in getting adequate-size farms. Consequently, the borrowers in Arizona are now operating an average of 169.70 acres, or an increase of 8.4 acres since they came on the program. This increased acreage has not added materially to the production of commercial crops, however, since virtually everything raised on it is consumed on the farm. It simply means a better diet and a better standard of living for these families.

Another main objective of FSA is to help tenants and sharecroppers get more secure land tenure arrangements, so they can plan ahead for crop rotations, soil conservation, and other sound farming practices. The survey indicated that 378 Arizona tenants have obtained written leases in place of verbal agreements.

In making the survey, FSA field workers found that there are 1,187 families in Arizona which are eligible and in need of rehabilitation loans, but have been unable to get them because of limited funds.

Aside from the rehabilitation program, the Farm Security Administration's most important job is to make loans under the Bankhead-Jones Farm Tenant Act to tenants, sharecroppers, and farm laborers, to enable them to purchase family-size farms of their own.

While it has been necessary to confine loans to certain counties, becuase of the limited funds available, F.S.A. made six such loans in Arizona, totalling $43,231, up to the end of the last fiscal year. This year F.S.A. is expecting to make about seven Bankhead-Jones loans in Arizona, totalling approximately $50,000.

Region IX
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U. S. DEPARTMENT OF AGRICULTURE
FARM SECURITY ADMINISTRATION
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STATUS OF CALIFORNIA REHABILITATION PROGRAM

AS OF MARCH 11, 1940

The Farm Security Administration has just completed a national survey which shows that in California the 3,580 standard rehabilitation borrowers had an average net income last year of $863.83 per family, as compared with $668.75 in the year before they came to FSA for help. This represents an increase of 29 per cent.

Moreover, these families increased their average net worth -- over and above all debts -- by 16 per cent.

In other words, these families not only have added $1,667,718 to the wealth of their communities, but they also have increased their annual incomes by a total of $698,379. This expanding purchasing power has, of course, been a considerable benefit to the merchants and other business men of the district.

At the same time, the survey showed that California borrowers already have repaid $1,628,041 into the Federal Treasury as installments on loans totalling $5,610,898. The typical rehabilitation family in California has borrowed $1,567.29, and already has repaid $454.76. Since much of the money loaned does not fall due for four or five years, there is every reason to expect that the great bulk of it will be repaid.

We feel that this collection record is particularly significant, because, according to normal business standards, FSA borrowers would certainly not be considered good credit risks. Rehabilitation loans are made only to families which cannot get adequate credit anywhere else; and nearly all of them either had been on relief or were approaching the relief level.

Although the rehabilitation program is intended to meet long-range problems, which have been growing steadily worse for more than a generation, it is financed out of relief appropriations; and it takes the place of direct relief in rural areas. It is designed to help needy farm families to become permanently self-supporting, instead of remaining indefinitely dependent on relief.

It has succeeded largely because every loan is accompanied by advice and guidance in sound farming methods, to make sure that the money is put to the best possible use. There is ample evidence that this guidance and technical training is the most important part of the rehabilitation program. Without it, few of the families would have been able to make much progress or to repay their loans.

In a limited number of cases, in order to get the family off to a sound start, small grants have been made to supplement the loan. Usually these grants were just large enough to tide the family over until it could make its first crop. They have averaged $45.65 per family, or a total of $163,427 over a four-year period.

Often it has been necessary to work out an adjustment of the family's old debts, before rehabilitation could be successful. Local Farm Debt Adjustment Committees have been set up for this purpose. They have no legal authority to compel adjustments, but by bringing the farmer and his creditors together for a friendly discussion, they usually are able to arrange a scale-down of the obligations, reduced interest rates, or extension of the payment period. Such adjustments frequently save the farmer from foreclosure, and at the same time enable the creditors to get substantial payments on what might otherwise have been bad debts.

This service is available to all farmers, whether or not they are rehabilitation borrowers. Altogether, debt reductions totalling $1,269,314 have been negotiated for individual farmers in California. This represents a scale-down of 15.8 per cent. As a direct result of these adjustments, $64,512 in back taxes has been paid to local governmental agencies.

In addition, reductions totalling $179,316, or 68.9 per cent, have been negotiated in the debts owed by irrigation districts and similar farm groups.

In helping rehabilitation borrowers to plan their farm operations, FSA supervisors always urge them to get away from one-crop farming, and to raise as much as possible of their food and feed supplies. The progress they are making is indicated by the fact that the borrowers in California produced $621,739 worth of goods for home consumption last year, as compared with only $384,671 worth before they came into the FSA program.

These families canned 579,960 quarts of fruits and vegetables last year, or an average of 162 quarts per family. They also produced 1,184,407 gallons of milk for home consumption, an average of 331 gallons; and 119,465 tons of forage, an average of 33.37 tons. This kind of diversified farming has meant a higher standard of living, a better diet, and usually a marked improvement in health.

One of the most common reasons for part failure among the families which come to FSA for help was that they had not farmed enough acreage to make a living. In helping our borrowers to get a new start, we have made every effort to assist them in getting adequate-size farms. Consequently, the borrowers in California are now operating an average of 89.87 acres, or an increase of 27.39 acres since they came on the program. This increased acreage has not added materially to the production of commercial crops, however, since virtually everything raised on it is consumed on the farm. It simply means a better diet and a better standard of living for these families.

Another main objective of FSA is to help tenants and sharecroppers get more secure land tenure arrangements, so they can plan ahead for crop rotations, soil conservation, and other sound farming practices. The survey indicated that 1,181 California tenants have obtained written leases in place of verbal agreements.

In making the survey FSA field workers found that there are 6,846 families in California which are eligible and in need of rehabilitation loans, but have been unable to get them because of limited funds.

Aside from the rehabilitation program, the Farm Security Administration's most important job is to make loans under the Bankhead-Jones Farm Tenant Act to tenants, sharecroppers, and farm laborers to enable them to purchase family-size farms of their own.

While it has been necessary to confine loans to certain counties, because of the limited funds available, FSA made 39 such loans in California, totalling $316,950, up to the end of the last fiscal year. This year FSA is expecting to make about 42 Bankhead-Jones loans in California, totalling approximately $368,000.